

MINUTES OF THE BOARD OF TRUSTEES February 26, 2020

The regular meeting of the Board of Trustees, which was held in the Conference Room, 92 Main Street, Kennebunk, was called to order by President Bob Emmons at 2:00 pm. Trustees Jim Burrows, Tom Oliver and Fred Lynk attended along with Superintendent Steve Cox, Assistant Superintendent Scott Minor, GIS/Asset Management Coordinator Justin Richardson, Distribution Manager Keith Archibald, Accountant Cathy McLeod, District Engineer Jamie Paschal, Plant Manager Bill Snyder, Chief Operator Greg Pargellis, Facilities Manager Rob Weymouth and Administrative Assistant Cindy Rounds. Treasurer Wayne Brockway was absent.

Minutes – January 29, 2020 and February 11, 2020 Meetings

On a motion by Trustee Burrows, seconded by Trustee Oliver, it was unanimously voted to approve the Minutes of the January 29, 2020 and February 11, 2020 meetings as presented.

Public Comment

Trustee Oliver took the opportunity to thank and compliment the Administrative Assistant for coordinating and carrying out a successful Winter Outing that was well attended and very enjoyable.

The Superintendent asked for a moment of silence to recognize the recent passing of the Treasurer's mother-in-law.

Treasurer's Report

The Accountant explained that the year-end financial report is being pulled together to prepare for the upcoming audit. She presented the actual to budget comparison for the month of January operating revenues. Annual metered account revenues for January were \$338,805 indicating a 5.6% unfavorable variance of \$20,107. Seasonal metered account revenues totaled \$32,049 indicating a 45.9% unfavorable budget variance of \$27,178. Total metered revenues were \$370,854, indicating an 11.3% unfavorable budget variance of \$47,284. Total operating revenues were \$512,779, indicating an 8.4% unfavorable budget variance of \$47,001. There were five new SDCs collected in January (\$8,285) compared to nine (\$13,289) in 2019.

AMI Meters

The Accountant reported the installations to date for the month of January totaled 245, illustrated in an installation progress tracking chart. As of yesterday, another 225 installations were completed bringing the cumulative total to 10,606, representing 75% of all accounts. She noted that there are 3,518 meters remaining to be replaced. There was a brief discussion on the notification methods that are utilized to remind customers that their meter is due for replacement and methods that are being considered to capture both non-responders and the 'opt out' accounts.

Capital Budget – Cost/debt analysis based on actual SRF awards

The Accountant presented the cost/debt analysis she compiled. She explained that it only illustrates projects that are active in 2020. She elaborated on the detailed components of the report. She outlined modifications she will be making that would expand the scope of the report. The Superintendent recognized the complexity in developing a report such as this.

In response to the contingency implemented during approval of the 2020 Capital budget, the Superintendent explained the ramifications of SRF-funded and non SRF-funded projects that would be realized. Once the Superintendent presented his detailed analysis, the Board agreed that the 2020 Capital budget should proceed accordingly without any modifications due to SRF status.

Proposed Water Rate Adjustment

The Superintendent reported that the water rate adjustment was filed with the PUC earlier in the day. He has been fielding questions from customers. He noted that that the final filing must be made no sooner than 10 days after the public hearing but no more than 30 days after.

Monthly Water Production Report

The Assistant Superintendent presented the monthly precipitation, water production statistics and water production cost charts for January.

He reported that water production for January was 46.85MG which is 0.15MG (0.3%) lower than 2019 and 0.39MG (0.8%) lower than 2016 (year of record water production).

The liquid precipitation equivalent for January was 3.73" and included ten days of recorded precipitation.

The supply source summary for January indicated that the Branch Brook surface water supply provided 42.77MG (91.3%) while the groundwater from the Merriland River well contributed 4.08MG (8.7%).

The surface water versus groundwater production and chemical cost comparison chart revealed the cost of treating surface water was \$249.45/MG in January while this groundwater chemical cost as \$112.98/MG. This resulted in a blended surface water and groundwater chemical cost in January of \$237.55/MG.

The Assistant Superintendent noted that he intends to present a water accountability report to the Trustees on a quarterly basis.

Summer Line Replacement Project in Kennebunkport (Prescott Drive, Lands' End Road, Marshview Circle and Skyline Drive)

The Assistant Superintendent displayed a map showing the locations where approximately 4,000' of obsolete 2" galvanized summer lines (serving 36 properties) are in the process of being

replaced with 3" HDPE pipe. The Distribution Manager pointed out where the new main has been installed and explained the remaining scope of the project. The project is anticipated to be complete by the end of next week and is expected to save a lot a time and money when these summer lines are activated in the spring.

Lagoon Piping Project

The Assistant Superintendent and Distribution Manager reported on this project. This project comprised of rerouting the underground piping that travels from the Filtration Plant to the lagoons from underneath the recently constructed Vehicle and Equipment Storage Building. The project was successfully undertaken in a week by the Distribution crew.

Western Avenue (Kennebunk) Project

The District Engineer reported that this 1,000' main replacement is expected to commence in a few weeks. Once the installation of 12" PVC in the roadway is complete, the failed 10" main (circa 1913) that travels through the marsh will be abandoned. Material bids are being opened tomorrow and aggregate bids will be opened next week. A preconstruction meeting with District Foremen is scheduled for next week. The Superintendent explained that this project is being undertaken as the emergency result of a main break that occurred in the marsh. The project is anticipated to take a little over two weeks to complete.

Kennebunk River Well/GAC Building

The Assistant Superintendent reported that construction of the building is nearly complete noting that the contractor, TPD Construction finished their remaining punch-list items on February 20th. He elaborated on the construction costs of the project to this point, noting that \$46,068 was required for change orders which increased TPD Construction's initial contract bid price from \$622,800 to \$668,868. The two largest change orders for \$35,559 and \$5,794 were required to 1) remove and replace unsuitable soil with ¾" compacted crushed stone and 2) to hire a consultant (R.W. Gillespie) to conduct soils and concrete testing. The Facilities Manager explained the scope of the work (chemical feed system, electrical conduit, etc.) his department will undertake to put the facility on line (anticipated around mid-May). The Assistant Superintendent again noted the positive experience working with TPD Construction. The Facilities Manager added that they exhibited high levels of professionalism and competency in addition to being extremely well organized.

Sodium Aluminate Project

The District Engineer, Plant Manager and Facilities Manager reported on this project. Establishing the Facilities Manager's new office is the first step prior to converting his existing office into the new Sodium Aluminate Storage and Transfer room. The new modular office is scheduled for delivery between March 9-11th.

ADA-compliant Chair Lift to Second Floor

The GIS/Asset Management Coordinator thanked the Facilities Department for relocating the brass handrail prior to the chair lift installation. 101 Mobility successfully installed the ADA compliant chair lift last week which has already proved beneficial to one District employee.

Solar Thermal or Geothermal Considerations for (Pipeyard) Cold Storage Building

The GIS/Asset Management Coordinator reported that it has been determined that some type of heating system is needed in the new Cold Storage Building. It's been found that water that has dripped off the trucks onto the floor does not evaporate and could cause unsafe icing conditions during the winter months. An additional concern is that moisture trapped inside the building could eventually cause corrosion of the structural steel frame. He explained the concept he envisioned and noted some affordable options he is researching. He said one option being considered is a design called horizontal geothermal installation.

SCADA Review

The District Engineer has taken the lead in this initiative by conducting research and providing the groundwork for a new SCADA platform. A project to replace the SCADA system is not expected to be undertaken until next year at the earliest. He reported that he is exploring SCADA software and spending time at the Filtration Plant documenting how the Plant is controlled, both manually and automated.

Watershed – Nature Conservancy Meeting

The Superintendent reported that he recently became aware that if a utility leases out any of their facilities to an outside party it requires PUC approval. He and the Facilities Manager met with The Nature Conservancy who leases the blueberry barren (452 Wire Road, Wells) building for their southern Maine operation and discussed the lease renewal and renewal of some easements.

Employee Recognition

The Superintendent extended his compliments for the successful outcome of the Winter Outing coordinated by **Cindy Rounds**.

He expressed his appreciation to the **Board of Trustees** for their strong response and time spent reviewing the reformatted Personnel Policy.

He was grateful for the **employees** during his first experience with the District's evaluation/review process. The Assistant Superintendent agreed that the process went well.

He sent kudos to the **Assistant Superintendent** for his discovery that in 1986, the District Trustees requested and received a waiver from the PUC to no longer required the District to invest in main extensions. The Assistant Superintendent noted that the waiver request did not include service

lines. He will prepare a request to the PUC for a waiver for the service lines for the Board to ratify.

Trustee Lynk offered his praise to the **Assistant Superintendent** for a job well done in presenting the rate adjustment at the public hearing on February 13th. He noted that the PowerPoint presentation provided a clear explanation of the purpose for the rate adjustment.

EXECUTIVE SESSION -- Employee Handbook, Administrative Manual, Employee Wages and Benefits

On a motion by Trustee Oliver, seconded by Trustee Lynk, it was unanimously voted to go into Executive Session at 2:45 pm in accordance with Title 1 M.R.S.A. Subsection 405(6)(A) to discuss and review personnel handbook, administrative procedures manual and personnel wages.

On a motion by Trustee Oliver, seconded by Trustee Lynk, it was unanimously voted to come out of Executive Session at 3:34 pm without any action taken.

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously to accept the Employee Handbook and Administrative Procedures Manual.

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to approve a 3% wage increase to non-exempt employees.

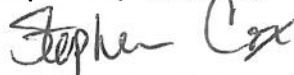
Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, March 25, 2020 in the Conference Room at the Office Complex, 92 Main Street, Kennebunk, Maine at 2:00 pm.

Adjournment

On a motion by Trustee Lynk, seconded by Trustee Oliver, it was unanimously voted to adjourn the February 26th meeting at 3:35 pm.

Respectfully submitted,



Stephen P. Cox, Clerk Pro Tem